

Insurance worksheet – “income replacement method”

Your financial adviser will use the data collected in the following section to determine how much insurance cover you require.

Income replacement, protection and trauma

If your income stopped because you became sick, injured or disabled for a prolonged period:

	Client 1	Client 2
Could you continue to meet your financial commitments and maintain your standard of living?		
Would you have enough money to meet your longer term goals?		

If you suffered a trauma such as a heart attack, cancer, stroke or an injury such as severe burns, loss of limbs or a major head injury:

	Client 1	Client 2
Would you have sufficient money to cover your medical expenses?		

Income replacement

	Client 1					Client 2				
In the event of prolonged or serious illness or accident, how much of your income would you want to be replaced?	0%	25%	50%	75%	100%	0%	25%	50%	75%	100%
Income required (each year)	\$					\$				
Would you like your debts paid off?	Yes		No			Yes		No		
Amount	\$					\$				
Would you like an additional lump sum to cover medical expenses?	Yes		No			Yes		No		
Amount	\$					\$				
Total lump sum required	\$					\$				

What rate of return would you be happy to assume in order to produce this income?

4.5% 5% 5.5% 6% 6.5% 7% 7.5% Other _____%

What existing insurance arrangements do you have in place?

Policy name	[Policy 1]	[Policy 2]	[Policy 3]	[Policy 4]
Insurance company				
Type of cover				
Insured				
Policy owner				
Sum insured	\$	\$	\$	\$
Policy details				
Benefit period				
Waiting period				
Indexation of benefit	Yes / No	Yes / No	Yes / No	Yes / No
Occupation type	Own / Any	Own / Any	Own / Any	Own / Any
[Other options e.g. buyback]				
Premium	\$	\$	\$	\$
Premium structure	Stepped / Level / Hybrid	Stepped / Level / Hybrid	Stepped / Level / Hybrid	Stepped / Level / Hybrid
Premium frequency				
Policy wording pros and cons				
Product features / conditions				
Exclusions / loadings				
Underwriting required?	Yes / No	Yes / No	Yes / No	Yes / No
Other notes				

Do you have any accrued leave you could rely on if suffering a prolonged illness?

	Client 1	Client 2
Annual leave	days	days
Sick leave	days	days
Long service	days	days
Other	days	days

Recommended insurance

	Client 1	Client 2
Income protection		
Trauma		
TPD		

Life insurance

If you or your spouse were to die unexpectedly:

	Client 1					Client 2				
Could your family cover your debts?										
Would your family be able to maintain their current standard of living?										
Would your family to be:	Better off	At least as well off		Worse off (please quantify)		Better off	At least as well off		Worse off (please quantify)	
For how long would this be?	Fixed period of _____ years on an ongoing basis					Fixed period of _____ years on an ongoing basis				
How much of your income would you want to be replaced?	0%	25%	50%	75%	100%	0%	25%	50%	75%	100%
Income required (each year)	\$					\$				
Would you like your debts paid off?	Yes			No		Yes			No	
Amount	\$					\$				
Would you like any additional lump sums (e.g. education fund, beneficiaries)?	Yes			No		Yes			No	
Other lump sums required	\$					\$				
Total lump sum required	\$					\$				

What rate of return would you be happy to assume in order to produce this income?

4.5% 5% 5.5% 6% 6.5% 7% 7.5% Other _____%

What existing insurance arrangements do you have in place?

Policy name	[Policy 1]	[Policy 2]	[Policy 3]	[Policy 4]
Insurance company				
Insured				
Policy owner				
Sum insured	\$	\$	\$	\$
Premium				

Recommended insurance

	Client 1	Client 2
Life insurance	\$	\$